

# HANNA SING MORSE AGAIN

THIS TIME FOR \$405,676.62 LENT TO ALLEGED DUMMIES

out of the Bank of North America's cash-box—Morse says Austin, Campbell, and Uncle Jim Were Not Dummies, but Borrowers for Themselves.

Receiver Charles A. Hanna of the National Bank of North America began yesterday another suit against Charles W. Morse. This one is in the State Supreme Court for the recovery of \$405,676.62 alleged to have been obtained by Morse through dummy loan transactions. This makes an aggregate of \$648,000 which the receiver seeks to recover from Morse individually, and there is also the \$700,000 in which Morse is named as one of several defendants.

The papers filed in yesterday's suit indicate that Morse was particularly in the selection of his dummies, if the makers of the notes really did serve in that humble capacity. There are no clerks or underlings on the list. Among others named are Calvin Austin, president of the Consolidated Steamship Company; N. H. Campbell, treasurer of the same company; Wesley C. Brown, president of the American Ice Company; Primrose & Braun, Morse's brokers; the Arizona Smelting Company; and James J. Morse, "Uncle Jim" from Maine who figured in the Morse-Dodge divorce tangle.

Morse himself denies that he was a beneficiary of or in any way responsible for any of the loans named in this action.

The complaint alleges in the first place that Mr. Morse as the controlling stockholder of the National Bank of North America dominated and controlled all the operations of the bank and the action of the directors.

The Calvin Austin loan was for \$100,000 and was made on May 20, 1907, on a one year note dated about five months before. The receiver charges that Morse, having procured the discounting of the note, representing that the maker was "financially responsible."

"The maker of said note," says the complaint, "was not at the time of discount and is not now able to pay the same and was expected or intended to pay the same, as the defendant when he procured the discount thereof well knew; and the proceeds of said note were received by the bank and used by Morse for his own use and account and said note was never covered for the loan so procured for his own use and benefit."

There is now \$102,353.33 due to the bank on this note. It is understood that Mr. Austin's explanation of the note is that it represented some transaction between himself and Mr. Morse and that his equity in that transaction offsets the amount of the note.

The complaint seeks to recover \$72,714 for a note made by N. H. Campbell, treasurer of the Consolidated Steamship Company. This was a six months note for \$100,000 given on February 1, 1908. The complaint says that Morse paid \$2,785 on the Campbell note. Of an alleged loan of \$100,000 to C. L. Charley, the Mercedes automobile factor, the complaint alleges that Morse caused to be charged upon the books of the bank the amount as a loan to Charley. Apparently there was no note held by the bank in this transaction. It is understood that certain stock was however, placed in an envelope as collateral loan and been made and was a memorandum recording the transaction. Mr. Morse's friends declare that loans similar to this are made every day in brokerage houses and that the bank's action is merely a technicality. They also claim that the stock was deposited with the bank as collateral for the money advanced.

The complaint says in this case also that Morse caused the officers of Charley's ability to meet the loan on demand, but that it was not met. It is alleged that the defendant made one payment of \$12,500 on this loan, leaving \$87,500 still due. The note was for \$100,000 and was discounted on February 5, 1908. It was drawn for one year. The Primrose & Braun note was for \$32,500 and was dated December 31, 1907.

Several notes aggregating \$28,183.77 drawn by F. H. Low, cashier of a bank in Bath, Me., are included in the suit. A payment had been made on these, leaving \$27,907.90 still outstanding.

The note of the Arizona Smelting Company, in which Morse was a large stockholder, was for \$79,444.12. The Wesley note was dated August 20, 1906, and was for \$74,834.73, but the receiver seeks to recover only \$28,376.60 from Morse.

This formal statement was made last night by Mr. Morse.

"Mr. Morse denies all responsibility in every way concerning these notes."

Beginning to-day, in response to a letter issued by the Public Service Commission, the Aqueduct Avenue cars of the New York City Interborough Company will turn off at 181st street and run to the subway station of the Broadway line instead of continuing to the 156th viaduct. Returning cars will go alternately to 181st street and to the 156th street station and north to Kingsbridge road.

## RAILROAD EARNINGS.

Month and Year	1908	1907	Change
North week February	\$20,426	Dec. \$19,426	1,000
South week February	\$20,426	Dec. \$19,426	1,000
Grand total	\$40,852	Dec. \$38,852	2,000

Month and Year	1908	1907	Change
Operating expenses	\$1,744,108	Dec. \$1,744,108	0
Net earnings	\$141,108	Dec. \$137,426	3,682

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## GOSSIP OF WALL STREET.

"This market," said a trader yesterday, "needs no aid from rumor—it speaks for itself. I have hardly ever heard the ticker talk more plainly than it has been talking in the last week and I cannot understand how the boys in the room so utterly failed to correctly interpret what it had to say. It is talking yet, and if there is any change in its tone it is that it has become more insistent and convincing than it was last week. Long experience has taught me not to risk my money in such an argument."

So far the news bearing on the upward movement in the stock market has been of the most commonplace kind. With the exception of the reopening of the Knickerbocker Trust there has been hardly an item that the traders have regarded as of first importance. These operators give little consideration to the straw and attach little or no importance to reports of "a generally better feeling." For quick action they need something big. When they can find nothing big on the bull side they prefer to operate on the other, which the accidents of the market have favored. While waiting for something big to come along they have times disregarded the accumulation of favorable factors of a more or less commonplace kind until almost overwhelmed by it.

Some of the large wire houses say there has been a very marked increase in the volume of their business within the last few days. Many changes that have occurred in the Wall Street market recently may be perhaps the one that has least expected. As a rule brokers doing a regular commission business have been congratulating themselves that they are not, like the wire houses, forced to pay heavy charges for rental of wires in addition to their other expenses. They never for a moment seemed to consider the possibility that the wire houses might begin to do a considerable business for or to own before the regular run of customers returned to New York offices. Yet, according to a number of houses with out of town connections, is just what has happened. The West has begun to send in orders in considerable volume. Wires are no longer a burden—except in the case where the advice sent out from this end has been so pessimistic as to counteract the growing optimism of the interior—and with the orders are coming such notes of good cheer as indicate that this good old time is really about the bestest spot in the United States. While it remains so the wire houses may get more than their usual proportion of the business.

As an instance of the increased interest which the interior is taking in the market one large house having a private wire to Duluth received a rush of orders from that point and on inquiring as to the reason for the unusual activity was told that "Word had just come to you to tell us—your market. But everything is beginning to look fine here. Four stove wires, closed down since beginning of December, just reopened, giving the market a boost of 100 points. The stove wires will not be really wanted until after the Presidential election."

The rise of 2½ points in recently closed stock prices, taken with the volume of orders and the reopening of the stove wires at Duluth, was regarded as an indication that the opening of the spring might bring activity in building operations all over the country.

In the forenoon the traders had a rumor that the Union Pacific financial would be arranged in a way to convey rights to stockholders. Rumor on the street was that the reopening of the stock wires at Duluth, was regarded as an indication that the opening of the spring might bring activity in building operations all over the country.

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United States Steel made a new high record for the present year, surpassing its highest point of January by more than a point and maintaining an upward tendency to the end. The resumption of operations at a number of mills that have been closed down since the strike served to create a favorable impression as to the substantial nature of the reported improvement in the trade, and the expectation that the annual report to be published some time this month would make a decidedly favorable showing was another helpful factor.

A point on which there is but one opinion is that no stock could equal United States Steel in the matter of an upward movement in the market.

According to an official statement the United States Steel Corporation has 55,000 stockholders of record. In addition there are probably not less than 30,000 persons interested in these stocks whose holdings are grouped with those of others in the names of brokers, so that altogether it is safe to say that at least 125,000 persons are interested in the substantial nature of the reported improvement in the trade, and the expectation that the annual report to be published some time this month would make a decidedly favorable showing was another helpful factor.

The traders had a rumor which they asserted was of Washington origin to the effect that Wall Street would not need to fear molestation of its business if it gave guarantees that the political situation would be somewhat later in the year.

The last time the hat was passed in Wall Street most of the bankers and brokers happened to be looking the other way, but, according to the current reports, unpleasant reminders for complete immunity liberal subscriptions must be passed in.

## MONEY AND EXCHANGE.

Money on call on the floor of the Stock Exchange loaned today at 2½ per cent. The average rate for the week was 2½ per cent. The average rate for the week was 2½ per cent. The average rate for the week was 2½ per cent.

Domestic exchange on New York: Boston 100c, premium; Philadelphia 100c, premium; Chicago 100c, premium; St. Paul 100c, premium; Minneapolis 100c, premium; St. Louis 100c, premium; San Francisco 100c, premium.

Money in London, 3½ per cent. Rate of discount in the open market for short and three months bills, 3½ per cent. Consols closed today at 97-18 for money and 97-18 for the account. Paris closed at 100-10 for money and 100-10 for the account.

New York Clearing House statement: Exchange, \$137,777,000; balances, \$5,546,548; deposits, \$1,111,111; withdrawals, \$1,111,111; net result, \$1,111,111.

# \$3,000,000 WASHINGTON WATER POWER CO.

OF SPOKANE INCORPORATED 1888

Three year 6 per cent. Gold Notes.

Dated July 1st, 1908. Due July 1st, 1911.

Direct obligation subject only to \$2,000,000 1st mtge. 5s (\$1,600,000 outstanding). No further mortgage can be executed until these notes have been paid.

Followed by \$5,001,900 stock paying 7% annual dividends.

Net earnings for fiscal year ending Dec. 31, 1907, were over 4 times the present interest charges. It is estimated that for 1908, with this issue of notes outstanding, the same ratio of net earnings to fixed charges will be maintained.

Property of the Company:

28,000 electric H. P. developed from water power, 50% of it in the heart of Spokane; 27½ miles transmission lines, by which power is sold throughout prosperous territory—lighting plant furnishing entire electric lighting in city;—96 miles electric railway, of which 73 miles are in city.

17,249,527 passengers carried in 1907.

Physical property represents cash outlay of over \$9,500,000.

Having sold more than half this issue we offer the unsold notes at 96 yielding about 7½%

6% Interim Certificates of Bankers Trust Company of N. Y. deliverable on or after March 16th.

## LEE, HIGGINSON & CO., MOFFAT & WHITE,

44 STATE ST., BOSTON, 5 NASSAU STREET, NEW YORK.

MASSON OWES \$399,600. VREELAND'S TESTIMONY BARRED.

Former Member of Mills Brothers & Co. Files Bankruptcy Petition.

Grand Jury Minutes Don't Get In in Suit Against N. Y. City Railway.

Justice Davis of the Supreme Court decided yesterday in the trial of the suit brought by Attorney-General Jackson to annul the charter of the New York City Railway Company that Jackson's special counsel in the suit, Lawyer Limburg, could not put in evidence the minutes of the Grand Jury investigation at which Herbert H. Vreeland and other officers of the company testified.

Justice Davis held that as Mr. Vreeland was admittedly not a stockholder of the New York City Railway Company his testimony was valueless for the purposes of the present trial.

Auditor Brown of the New York City Railway Company was again the principal witness of the day, and through his testimony Mr. Limburg showed that on June 30, 1908, the subsidiary companies of the City Railway system showed deficiencies for the year amounting to \$1,405,051.

The total deficiencies were really \$2,106,330, but a surplus of \$751,278, earned by the Union Railway Company, brought down the total.

Mr. Limburg was anxious to show that the company was insolvent because of the huge losses sustained since June 30, 1906, but Justice Davis decided that he must confine his line of testimony to things that had happened before that date, on which was made the annual report which the Attorney-General has adopted as the basis of his suit. The trial continues to-day.

THE COTTON MARKET.

Prices Up—Reported Large Spot Sales Here—Liverpool Strong—Bulls Take Profits on Rise.

A few large operators and spinners fixed prices yesterday. They marked them up. Liverpool did a good spot business, the leading bull here is said to have sold 3,000 bales of actual cotton to the London market.

Wall Street bulls added to their line. That was not all. The South bought, not a few of the local shorts covered and prominent spot people purchased May cotton. The stock market was better, the Southern receipts bated a lot of the firmness which he has shown for so long the fact was not perceptible to the ordinary vision. But there is apt to be a cloud to the brightening horizon.

Some leading bulls too are supposed to have reduced their holdings on the rise, and if some big interests were short of May they refused to be whipped into the traces. Bulls, however, insist that the short interest may really be larger than the long. The commitments for March are not small either, and that in the end bears will have to cover. But what of the immediate future? Speculative manipulation may be in the air, but the attitude of the Southern spot holder and the tenor of the ginners' report which is to appear in a few days is on a large scale. Seekers after cotton are accommodated on the bulge.

Spot cotton steady. Rio No. 7, 8½c. Futures closed unchanged to 5 points lower at the tone steady and the sales 12,750 bags. Have advanced 4½c. Hamburg unchanged. Rio advanced 3½c. exchange, 1-100, lower at 15-100; receipts, 6,000 bags; stock, 351,000. Santos unchanged, receipts, 9,000 bags; stock, 140,000. Sao Paulo receipts, 12,750 bags; January, 10,000. Prices follow:

Open-High-Low-Close-Preceding

March 100 100 99 100 100

May 100 100 99 100 100

July 100 100 99 100 100

September 100 100 99 100 100

November 100 100 99 100 100

January 100 100 99 100 100

March 100 100 99 100 100

May 100 100 99 100 100

July 100 100 99 100 100

September 100 100 99 100 100

November 100 100 99 100 100

January 100 100 99 100 100

March 100 100 99 100 100

May 100 100 99 100 100

July 100 100 99 100 100

September 100 100 99 100 100

November 100 100 99 100 100

January 100 100 99 100 100

March 100 100 99 100 100

# \$8,000,000 UNITED STATES RUBBER COMPANY

Collateral Funding Five Per Cent. Gold Notes Due September 15, 1909.

Coupon Notes in Denomination of \$5,000 each. Redeemable at par on any interest payment date. Interest payable March 15 and September 15.

These Notes are issued to refund a like amount of notes maturing March 15, 1908, and are secured by the deposit with the Trustee of notes of the subsidiary companies aggregating \$12,000,000. The Trust Agreement provides that the United States Rubber Company shall not create any mortgage debt while these notes remain outstanding and that the net cash assets shall at no time be of less value than \$15,000,000 over and above all indebtedness, except the Funding Notes.

The Treasurer of the Company states that "as of December 31, 1907, the net cash assets of the United States Rubber and subsidiary companies, including its proportion of the net cash assets of the Rubber Goods Manufacturing Company, were \$24,296,000, over all liabilities, other than the Funding Notes."

"The net earnings of the United States Rubber Company for the year ending March 31, 1907, over all interest charges were \$4,590,382, including only \$689,308 of the Rubber Goods Manufacturing Company's profits of \$2,004,484. For the nine months ending December 31, 1907, the net earnings of the United States Rubber Company and its proportion of the net earnings of the Rubber Goods Manufacturing Company, were over \$4,000,000, after the payment of all interest charges."

WE OFFER THE ABOVE NOTES FOR SUBSCRIPTION AT 97½ AND INTEREST, TO YIELD 7½ ON THE INVESTMENT. SO FAR AS POSSIBLE HOLDERS OF THE OUTSTANDING FUNDING NOTES MATURING MARCH 15 WILL BE GIVEN THE PREFERENTIAL OPPORTUNITY OF SUBSCRIBING TO THE NEW NOTES.

BLAIR & CO. FIRST NATIONAL BANK 24 Broad Street, New York 2 Wall Street, New York

KIDDER, PEABODY & CO., 115 Devonshire Street, Boston, Mass.

## WESTERN MARYLAND R. R. CO.

TO THE STOCKHOLDERS TO THE GENERAL LIEN AND CONVERTIBLE BONDHOLDERS.

The undersigned as holders of and also representing a large amount of stock and as holders of and as representing a large amount of bonds of the above issue have consented to act as a Committee in behalf of those interests.

The recent appointment of a Receiver of the property renders prompt action advisable. An agreement is in course of preparation under which deposits will be invited within a brief time.

THE BANKERS TRUST COMPANY of New York will act as Depository. All communications should be addressed to the Secretary.

March 9, 1908.

WILLIAM F. HARRITY, EDWARD L. FULLER, GEORGE CATOR, FAIRFAX S. LANDSTREET, RICHARD SUTRO, Committee.

O. H. SMITH, Secretary, No. 1 Broadway, New York City.

## BOND SALESMEN WANTED

By a large New York Banking House to sell bonds in New York City

Preference will be given to earnest, aggressive men of good education and address, and with good New York City connections. Address, giving age, nationality, education and business training, to SALESMEN, care New York Sun Office.

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